



89 Dyrachiou str. and Kifissou, Athens

Tel: +30 210 3636936

Fax: +30-210 5192324

ADMIE Holding
"Full Year 2022 Financial Results Conference Call"

Thursday, 20th April 2023 15:00 GR Time

Conductors:

Mr. Ioannis Karamelas, Chief Executive Officer

Mr. George Eleftheriou, Head of Investor Relations Officer

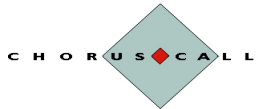
Mrs Eleni Zarikou, Deputy Chief Financial Officer of ADMIE

Mr. Prokopis Mavronas, Financial Director of ADMIE

Mr. Nikolaos Nikolopoulos, Head of Branch

Group Financial Planning & Analysis

Conference Call Conducted by Chorus Call Hellas



CHORUS CALL HELLAS

PROVIDER OF TELECONFERENCING SERVICES

TEL: +30 210 94 27 300

FAX: + 30 210 94 27 330

Web: www.choruscall.com

OPERATOR: Ladies and Gentlemen, thank you for standing by. I am Konstantinos your Chorus Call operator. Welcome and thank you for joining the ADMIE Holding Conference Call to present and discuss the Full Year 2022 Financial Results. At this time, I would like to turn the conference over to Mr. Ioannis Karampelas, CEO of ADMIE HOLDING SA.

Mr. Karampelas, you may now proceed.

KARAMPELAS I: Good afternoon, Ladies and Gentlemen and good morning to those of you listening to us across the globe.

(Greeting in Greek)

Μια και βλέπω όμως ότι είμαστε οι περισσότεροι...μάλλον όλοι Έλληνες, θέλω να ευχηθώ σε όλους σας Χριστός Ανέστη και ελπίζω να περάσατε καλά στις διακοπές. Συνεχίζω όπως είχα προγραμματίσει στα Αγγλικά μου.

Welcome to this conference call of ADMIE Holding's Full Year Results for 2022. We would like to thank you for making this time for join us today. Mr. Eleni Zarikou, Deputy CFO, and Mr. Nikolaos Nikolopoulos, Head of Budget & Analysis are next to me, as well as Mr. George Eleftheriou, IR Director.

I will briefly highlight the financial performance of ADMIE Holding and then Eleni will guide you through the main operational financial highlights on IPTO. As this is only a summary of our results, please refer to the financial statements that are available on the website of this company for further details if needed. After the first presentation, our team will be at your disposal for any questions you may have and as usual,

after today's call, George will be available by phone to share if you have any further questions.

2022 was another year of global challenges, climate emergency, progressive decarbonization, compounded by the war in Ukraine, which was invaded more than a year ago. I think you all know very well what is going on in our business. We are worried, as we should, but we believe we managed to overcome the difficulties and remain positive regarding the progress of IPTO's investment program.

Moving to the financials, in 2022 ADMIE Holding achieved a net profit of EUR129.1 million, making a decrease of 17% compared to the corresponding period of 2021, as a result of the decrease on IPTO Group net income. Operating expenses stood at EUR695,000, related mainly to personnel fees and fees to third parties, such as legal, accounting, and auditing services, as well as one-off expenses related to tax settlement of 2021.

The company's cash at the end of the period amounted to EUR4.7 million and are deposited in a special account in Bank of Greece, generating an average of 1% yield. Due to active cash management, the financial income amounted to EUR133,000, partially offsetting the operating expenses. It is worth to notice that ADMIE Holding has no debt.

The main revenue for ADMIE Holding is the dividend received from the affiliate company, IPTO SA. Further on this, IPTO SA has a dividend policy of distributing the 50% of its net income to its shareholders while it maintains the rest in order to fund its extensive investment plan.

Turning to the ADMIE Holding dividend policy for 2022, the company distributed last September the maximum permissible pay-out of cash dividend receiving from IPTO within the year in the form of an interim dividend. The interim gross dividend per share amounted to EUR0.068 per share and it will be the total dividend for fiscal year of 2022 corresponding to a yield of 4% according to yesterday's closing price.

In addition, in accordance with the dividend that the company will receive from IPTO in 2023, the board of directors will propose the maximum allowed amount for distribution of interim gross dividend of EUR0.058 per share for financial year of 2023 which corresponds to a yield of 2.9% according to yesterday's closing price.

With that, I am handing over to IPTO's deputy CFO, Eleni Zarikou. Eleni, over to you now.

ZARIKOU E: Thank you, Yiannis. Before starting to analyze the financial figures, I would like to share with you our latest main achievements.

2022 was a challenging year, but IPTO successfully managed to overcome the high pressure of inflation and supply chain disruption and recorded another year of high investments amounting to EUR355 million. In this regard, important steps have been taken for the progress of our key projects either on a licensing process or construction activities.

Crete-Attica Interconnection, Cycladic Phase 4, and Eastern and Western Corridor of Megalopolis were the key capex contributors for the period. I would like to underline that although the pace of implementation of IPTO gross capex slowed down temporarily for the first half of the year and there were significant appreciations in the cost of materials and services required for the successful conduct of tenders, we managed to accelerate our efforts in the second half and reverse back on track the progress of our key projects.

On the international front, we remain committed to our role and responsibility in the context of strengthening regional cooperation with neighboring countries as well as the strategic integration of the European electricity market. We have already announced our intention to participate with a 25% stake in capital share of the Euro Asia Interconnector linking Greece to Cyprus, and Israel as well as we signed the memorandum of cooperation for the construction of electricity interconnection between Greece and Egypt, setting a strong foundation of our country to become a power hub in the wider southeastern European region.

With that, I would like to turn now to the financial performance of IPTO for 2022. Starting from our top line, the revenue from transmission system rent including revenue from balance in market, increased by 5% and amounted to EUR283.9 million versus EUR270.3 million in 2021. Due to the delay in the implementation of the new system charges as well as the reduced demand attributed to energy crisis and the recommendation of the authorities to reduce consumption, the under recovery of the system charges amounted to EUR31

million, which are expected to be fully recovered in 2024. However, let me stress that in the last quarter of the year, we see a normalization of our revenue stream leading to strong operational profitability after the full implementation of tariffs last September.

Consolidated opex excluding depreciation and amortization and provisions increased by 10.8% at EUR113.1 million, compared to EUR102.1 million in 2021. On the key elements of opex payroll cost decreased by 4.4% to EUR56.6 million, mainly due to the voluntary redundancy scheme which implemented in the last semester of 2021 and the retroactive charge of EUR2 million attributed to technical staff as a result of the implementation of the new collective labor agreement concerning past years, which was also implemented in the second half of 2021.

At the same time, third-party fees and benefits showed a cumulative increase of 10.2 million attributed to the increase in the number of new employees with freelancers' contracts in order to cover the extended operational needs of the operator, higher energy prices and increasing repair and maintenance costs.

Moving on to profitability, consolidated EBITDA for 2022 amounted to EUR195.2 million making an increase of 3% compared to EUR189.9 million in 2021. However, when excluding one-off items, the adjusted EBITDA came in at EUR189.6 million, yet lowered by 0.5 compared to the corresponding amount of 2021.

Then to the financial, financial income of the group amounted to 3.2 million from 6.1 million a year ago attributed to the successful renegotiation of the syndicated loan interest spread in Q3 of 2021. Financial expenses amounted to 15.8 million versus 15 million a year ago as a result of the increase in floating interest rates due to Euro bond increase during 2022.

At the bottom line, our consolidated net profits for 2022 amounted to EUR58.2 million, compared to EUR69.4 million in 2021, while adjusted net profit amounted to 54 million compared to 59 million in the previous year, marking a decrease of 8.6%. IPTO's investment program, as mentioned earlier, remains on track at the fastest possible pace, with capital expenditure in 2022 reaching 355 million, while our net debt amounted to EUR775.4 million.

Closing the presentation, we expect going forward the trend of the last quarter of the year, with a full implementation of system charge to set the tone of the operational and net profitability for the next year, and more importantly, up until the third quarter of 2023.

On the regulatory front, as you already know, there is a continuous discussion with the regulator for the revision of our work. Generally, after reviewing the latest regulatory resolution, we believe it allows the healthy implementation of our investment program. However, we emphasize that the uncertainty of current global geopolitical and macroeconomic conditions is not reflected in our remuneration yet, which should be subject for a revision. We continue to work in close

collaboration with RAI, in order to find common ground on this specific issue.

With that, I would like to thank you for participating and we are ready to take any questions you may have.

Operator: The first question is from the line of Katsios Nestoras with Optima Bank. Please go ahead.

KATSIOS N: Yes, hello from my side. Congratulations for the presentation. So, my question has to do with Ariadne Interconnection. Can you please provide us an update of the project, and when should we expect the completion of the project and also, could you please provide an update regarding the sale of the 20% of the stake? Thank you.

NIKOLOPOULOS N: Hello from my side as well. I'm Nikolaos Nikolopoulos. Regarding Ariadne, the project is expected to be completed within 2024, as also referred in the 10-year development plan. In 2023, heavy capex from Ariadne is expected to take place. And regarding the tender offer for Ariadne for the sale of 20% minority interest, until the end of April, RAI is expected to give us the suitable candidates from a regulatory perspective, and due diligence is expected to take place around three months from now, from the end of April.

So by the end of August, we are expecting to have the submission of binding offers, and the selection of the preferred bidder is expected early September, with the closing of the transaction to take place within October.

KATSIOS N: Okay, thank you.

OPERATOR: The next question is from the line of Athanasoulis Nikos with Eurobank Equities. Please go ahead.

ATHANASOULIAS N: Hello and thank you very much for the insightful presentation. I have a few questions, if I may. The first one is regarding the capex that you mentioned. Do you have a guidance that you can provide us as for the level of capex for 2023? You said that it's going to be heavy, mainly due to Ariadne. This is the first question.

My second question is regarding the projects of common interest revenue that we saw. If you could provide any insight on that and whether this will be recurring. And the third one, if you could shed some light on the one-off expenses regarding Zakynthos and whether there are any remaining expenses to be incurred in 2023 for that? Thank you.

ZARIKOU E: Well, hello. This is Eleni Zarikou, again. Regarding the capex of 2023, as we mentioned in the remarks, we expect that the fast pace in the implementation of Ariadne interconnection and, of course, in the Cyclades Phase 4 project, we will have as a result a record here. Amount of 2023, we cannot say anything more specific, but we expect a really, really heavy amount, high amount.

Regarding Zakynthos, your third question, the one-off expense, was about the supply installation and operation of the power generation pairs for one month in Zakynthos Island to ensure

the uninterrupted power supply in the area. This will be fully recovered by system tariffs. And no, we do not expect something similar to happen again. This was one of really extraordinary event. And I'm sorry, but I did not understand the question regarding PCIs or PMIs?

ATHANASOULIAS N: Yes, the PCI, the Project's Common Interest revenue that you reported, if you could elaborate a little bit more on that?

ZARIKOU E: Yes, yes. This is according to a contract we have. We expect 2 million every year.

ATHANASOULIAS N: All right. It is recurring 2 million every year, a contract until when?

ZARIKOU E: It is for technical services for the EuroAsia Interconnector, most probably up until 2029.

ATHANASOULIAS N: Okay. Thank you very much.

ZARIKOU E: You're welcome.

OPERATOR: The next question is from the line of Noikokyrakis Ioannis with Alpha Finance. Please go ahead.

NOIKOKYRAKIS I: Hello, from my side. Thank you so much for taking my questions. I've got two actually. The first one is regarding the international interconnections. Can you give us an update on the international interconnection schedule and what should we

expect by the end of the year? And the second question is regarding the battery storage capacity that we have read in the news that has been now pushed back to the second quarter and specifically is expected to take place in June. I mean, what is your expectations for your year-end targets regarding you know...battery storage capacity? For Greece, for the end of the year, and if this changes your plans for this? Thank you very much for that.

ZARIKOU E: Well, hello again. I would like Mr. Mavronas to please say some more details regarding the international interconnection, if it was right, your first question. Regarding your second questions, regarding battery source capacity, this was what's about. Well, we are not actually the most relevant people to discuss about, but this has nothing to do with our capex of 2023, if it's going to be on June or not. But we can revert back to you with more information from our technical department for that.

NOIKOKYRAKIS I: Thank you.

OPERATOR: Ladies and gentlemen, there are no further questions at this time. I will now turn the conference over to Mr. Karampelas for any closing comments. Thank you.

KARAMPELAS I: (Greeting in Greek)
Λοιπόν, σας ευχαριστούμε πολύ που σήμερα ήσασταν κοντά μας. Ελπίζω να διαφωτίσαμε με τις απαντήσεις μας όποια ερωτήματα είχατε. Παρόλα αυτά όπως είπα και στην αρχή οποτεδήποτε θελήσετε, αν δεν βρείτε τις πληροφορίες που θέλετε μέσα από το site μας, ο κύριος Ελευθερίου θα μπορέσει να σας απαντήσει για τις ερωτήσεις σας. Σας ευχαριστώ πολύ και πάλι Χρόνια Πολλά.